

Executive Summary Form

Agenda Number: HLT

Recommendation:

Approve the new Letter of Agreement between Cochise Health & Social Services and Health Choice Arizona/Health Choice Generations (AHCCCS and Medicare health plans, respectively), for the initial one year period and to be renewed for subsequent one-year periods.

Background:

CHSS is strategically working to expand our network of insurance companies, while at the same time; Health Choice is working to expand their network of providers in Cochise County. Health Choice has bid for an AHCCCS contract in Cochise County, and having this LOA with Cochise County will enhance their chances of being awarded a contract. This LOA will run for one year and be renewed for subsequent one-year periods; however, the LOA may be terminated by either party with ninety (90) days written notice.

Radi Ann Porter (Director of Nursing) has reviewed and is satisfied with the LOA from an operational perspective, and Terry Bannon has reviewed and is satisfied from a legal standpoint.

Fiscal Impact & Funding Sources: If Health Choice is awarded an AHCCCS contract, Cochise County will benefit by being able to bill Health Choice for services provided to their members.

Next Steps/Action Items/Follow-up:

Your approval is respectfully requested.

Impact of Not Approving:

Not approving this LOA will prevent Cochise County from collecting for services provided to certain AHCCCS and Medicare members in the county should Health Choice be awarded the contract.

LETTER OF AGREEMENT

HEALTH CHOICE ARIZONA AND HEALTH CHOICE GENERATIONS

AND Cochise Health and Social Services

Provider Name

1415 Melody Lane, Bisbee, AZ 86503

Provider Address

This Letter of Agreement is entered into by and between Health Choice Arizona, Inc. a Delaware Corporation (hereafter "HCA"), and Health Choice Arizona, Inc. DBA HC Generations (hereafter "HC Generations"), and **Cochise Health and Social Services** (hereafter "SUBCONTRACTOR").

Whereas, HCA and HC Generations agree to reimburse SUBCONTRACTOR for covered and authorized services as defined below:

Scope of Services. SUBCONTRACTOR shall provide authorized COVERED SERVICES under the Health Choice Arizona, Inc (HCA) contract with AHCCCS (Arizona Health Care Cost Containment System) and Health Choice Arizona, Inc. dba HC Generations and CMS (Centers for Medicare and Medicaid Services). These services shall be paid for by HCA and/or HC Generations, when provided or arranged for by SUBCONTRACTOR in accordance with the terms and conditions of this Agreement and when such services are within the normal scope of practice of SUBCONTRACTOR. Services listed above are subject to eligibility review, medical review and/or reinsurance retro review.

Fee-For-Service Reimbursement. For COVERED SERVICES provided to Health Choice Arizona MEMBERS, SUBCONTRACTOR shall be reimbursed at 100% of the AHCCCS Prevailing Fee Schedule. HC Generations BENEFICIARIES, SUBCONTRACTOR shall be reimbursed less any applicable Co-payments, Deductibles, and Coinsurance, at 100% of the Participating Medicare Fee Schedule or billed charges, whichever is less. For Physician extenders employed and/or contracted by SUBCONTRACTOR, reimbursement shall be eighty percent (80%) of the applicable fee schedule or in accordance to AHCCCS and Medicare payment regulations and Correct Coding Initiative Rules. SUBCONTRACTOR shall adhere to all AHCCCS and Medicare regulations including but not limited to coordination of benefits and determination of their party liability prior to submitting a claim to HCA and HC Generations and all other AHCCCS requirements under the HCA / AHCCCS Agreement.

Term of Agreement and Renewal. This Agreement shall have a one year term from the effective date of the Agreement. This Agreement shall thereafter be automatically renewed for successive one year periods unless written notification is given ninety (90) days prior to the anniversary date or the terms of the Agreement have been renegotiated. This Agreement may be terminated without cause by either party through the provision of at least a ninety (90) day prior written notice. Moreover, this Agreement shall terminate immediately upon the execution of a Subcontractor Agreement.

SUBCONTRACTOR agrees to utilize the Health Choice Arizona and HC Generations contracted Provider Network, as applicable. All services requested outside of the Health Choice contracted Provider Network must be prior authorized by Health Choice Arizona. All DME equipment and IV supplies will be provided by Preferred Health Care. If this Letter of Agreement is not all-inclusive, Provider agrees to utilize Health Choice contracted laboratory and pharmacies when applicable.

SUBCONTRACTOR agrees to comply with all AHCCCS and CMS requirements including but not limited to:

AHCCCS and Medicare Participation Standards. SUBCONTRACTOR and its Ancillary Practitioners shall meet the standards for participation and all applicable requirements for providers of health care services under the AHCCCS and Medicare Programs. In addition, SUBCONTRACTOR shall require that its facilities and/or offices utilized by SUBCONTRACTOR for its HCA Members and HC Generations Beneficiaries shall comply with facility standards established by AHCCCS and CMS.

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Persons Excluded from Medicare Participation. SUBCONTRACTOR shall not employ, or contract with, any person who has been excluded from participation in the Medicare Program under Sections 1128 or 1128A of the Social Security Act (42 USC Sections 1330a-7 and 1330a-7a) for the provision of any (1) health care services, (2) utilization review, (3) medical social work or (4) administrative services. SUBCONTRACTOR shall inform HC Generations immediately upon exclusion from participation in the Medicare Program under section 1128 or 1128A of the Social Security Act and acknowledges that PLAN is prohibited, by federal law, from contracting with a provider excluded from participation in the Medicare Program under section 1128 or 1128A of the Social Security Act as amended. [42 CFR §422.752 (a)(8)]

Applicable Federal Laws. The compensation payable to SUBCONTRACTOR pursuant to the Agreement consists of Federal funds. Accordingly, SUBCONTRACTOR acknowledges that SUBCONTRACTOR shall be required to comply with certain laws applicable to entities and individuals receiving Federal funds. [42 CFR §422.502 (h)(1); 422.502 (i)(4)(v)]

Inspection and Audit of Records and Facilities. SUBCONTRACTOR acknowledges that the performance of the SUBCONTRACTOR is monitored by the PLAN and shall provide access at reasonable times upon demand by the PLAN and Government Agencies to periodically audit or inspect the facilities, offices, equipment, books, documents and records of SUBCONTRACTOR in regards to the performance of the Agreement and the AHCCCS and Medicare Covered Services provided to HCA Members and HC Generations Beneficiaries. This includes, without limitation, all phases of professional and ancillary medical care provided or arranged for Health Choice Arizona and HC Generations Member's by SUBCONTRACTOR, Health Choice Arizona and HC Generations Member's medical records and financial records pertaining to the cost of operations and income received by SUBCONTRACTOR for Medicaid and Medicare Covered Services rendered to Health Choice Arizona and HC Generations Members. Such access shall be limited to that necessary to perform the audit. SUBCONTRACTOR shall comply with any requirements or directives issued by the PLAN and Government Agencies as a result of such evaluation, inspection or audit of SUBCONTRACTOR. SUBCONTRACTOR shall retain the books and records described in this Section for at least ten (10) years and acknowledge that Government Agencies may have the right to inspect and audit SUBCONTRACTOR'S books and records for ten (10) years beyond termination of the Agreement or until the conclusion of any governmental audit which may be initiated as pertains to such records, whichever is latest unless: (i) the CMS determines there is a special need to retain a particular record or group of records for a longer period and notifies the PLAN or SUBCONTRACTOR at least thirty (30) days before the normal disposition date; (ii) there has been a termination, dispute, or fraud or similar fault by SUBCONTRACTOR, in which case the retention may be extended to ten (10) years from the date of any resulting final resolution of the termination, dispute, or fraud or similar fault; or (iii) the CMS determines that there is a reasonable possibility of fraud, in which case it may inspect, evaluate, and audit SUBCONTRACTOR at any time. Without limiting the foregoing, following the commencement of any audit by a Government Agency, SUBCONTRACTOR shall retain its relevant books and records until completion of said audit. The provisions of this Section shall survive termination of the Agreement for the period of time required by State and Federal Law. [42 CFR §422.504(e)(2); 422.504(e)(3); 422.504(i)(2)(ii); 422.504(e)(4)] ; 422.504(i)(4)(iii)

Subcontractor Qualifications and Credentialing. SUBCONTRACTOR shall comply with, and shall ensure that the practice or employment of SUBCONTRACTOR comply with, credentialing and recertification standards, as well as all federal and state laws and regulations regarding licensure, certification and credentialing and use of DEA number(s) in prescribing. SUBCONTRACTOR shall give immediate written notice to HCA if the license or certificate of SUBCONTRACTOR, or that of a health care provider in the practice or employment of SUBCONTRACTOR, is revoked, suspended or limited in any way. Plan shall grant delegated credentialing to SUBCONTRACTOR'S providers as evidenced by a separate Delegated Credentialing Addendum attached herein.

CMS Agreement Compliance, Accountability Provisions and Delegation Requirements. SUBCONTRACTOR shall comply with all requirements in the AHCCCS and CMS Agreement, which are applicable to SUBCONTRACTOR as a result of the Agreement. SUBCONTRACTOR acknowledges and agrees that the PLAN shall remain accountable to AHCCCS and CMS for compliance with its obligations

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under the AHCCCS and CMS Agreement. SUBCONTRACTOR shall cooperate with the PLAN in AHCCCS and CMS required oversight activities. Without limiting the foregoing, SUBCONTRACTOR shall ensure that all provisions of this Agreement, which are applicable to SUBCONTRACTOR'S Representatives, are included in any SUBCONTRACTOR'S written agreement for Sub-Delegation subcontracts. A copy of the AHCCCS and CMS Agreement shall be made available to SUBCONTRACTOR upon SUBCONTRACTOR'S request. SUBCONTRACTOR shall comply with Title XVIII of the Social Security Act and the regulations adopted there under by CMS for the Medicare program. [42 CFR §422.504(i)(1)(4)(5); 422.504(i)(3)(ii)(iii)]

Delegation. SUBCONTRACTOR acknowledges that the credentials of medical professionals affiliated with the SUBCONTRACTOR will either be reviewed by the PLAN or if SUBCONTRACTOR is privileged by the PLAN to hold an authorized delegation agreement; SUBCONTRACTOR acknowledges that the credentialing process will be reviewed by the PLAN and the PLAN will audit the SUBCONTRACTORS credentialing process on an ongoing basis. HCA and HC Generations may, in its sole and absolute discretion, delegate Utilization Management, Credentialing, medical records review, claims processing, and/or other activities consistent with regulatory and accrediting standards. Such delegation may occur on the effective date of this Agreement or at any time HCA and HC Generations determines the provider is capable of performing such delegated activity and if provider accepts such delegation responsibility. The acceptance of responsibility for any delegated activity shall be evidenced by an executed Delegated Agreement from HCA and HC Generations to Provider which will set forth, among other things, the date that the delegation activity commenced. To the extent any responsibilities and reporting duties are delegated to Provider, the terms and conditions of the delegation are specified in the Provider Manual and the Delegated Agreement. The PLAN retains the right to approve, suspend, or terminate any delegated activity. The Provider Manual may be amended at any time by HCA and HC Generations, to reflect changes in delegation standards, delegation status, performance measures, reporting requirements, or other provisions. [42 CFR §422.504(i)(3)(iii); 422.504(i)(4); 422.504(i)(5); 422.504(i)(4)(iii); 422.504(i)(4)(iv)(A)/(B); 422.504(i)(4)(i)]

Sub-Delegation. Provider shall not further delegate the Performance of Delegated Activities to any of its Providers or any other organization or entity without the prior written consent of HCA and HC Generations.

Revocation and Resumption of Delegated Activities. HCA and HC Generations or AHCCCS and CMS may revoke any or all portions of the Delegated Agreement at any time if HCA and HC Generations or AHCCCS and CMS determine that the delegated activities are not being performed in accordance with the standards and requirements established by HCA and HC Generations, the Provider Manual, AHCCCS and CMS; or if HCA and HC Generations or AHCCCS and CMS determine that performance of delegated activities is inconsistent with or potentially violates applicable AHCCCS and CMS regulatory guidance. [42 CFR §422.504(i)(4)(ii); 422.504(i)(5)]

No Billing of Medicare and Medicaid Beneficiaries (Medicare Beneficiary Hold Harmless Provision). PLAN will inform SUBCONTRACTOR of Medicare and Medicaid benefits and rules specific to Members eligible for Medicare and Medicaid. SUBCONTRACTOR hereby agrees that in no event, including, without limitation, non-payment by the PLAN, the PLAN's insolvency or breach of the Agreement, shall SUBCONTRACTOR bill, charge, collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against a Health Choice Arizona and HC Generations Member or person, other than the PLAN, acting on his or her behalf, for Medicaid and Medicare Covered Services provided pursuant to the Agreement. SUBCONTRACTOR shall not hold any Health Choice Arizona and HC Generations Member liable for payment of fees that are the legal obligation of the PLAN. [42 CFR §422.502 (g)(1)(i); 422.504(g)(1)(iii)]

SUBCONTRACTOR shall not maintain any action at law or equity against a Health Choice Arizona and HC Generations Member to collect sums owed by the PLAN to SUBCONTRACTOR (Part A or Part B) when the State is responsible for paying such amounts. The PLAN will not impose cost-sharing that

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exceeds the amount of cost-sharing that would be permitted with respect to the individual under Title XIX if the individual were not enrolled in the PLAN SUBCONTRACTOR will accept the PLAN payment as payment in full or appropriately bill the correct State source. Upon notice of any such action, the PLAN may terminate the Agreement as provided above and take all other appropriate action consistent with the terms of the Agreement to eliminate such charges, including, without limitation, requiring SUBCONTRACTOR to return all sums collected as "Surcharges" from Health Choice Arizona and HC Generations Members or their representatives. For purposes of the Agreement, "Surcharges" are additional fees for Medicare Covered Services, which are not disclosed to HC Generations Members in the Subscriber Agreement and Evidence of Coverage are not allowable co-payments and are not authorized by the Agreement. Nothing in the Agreement shall be construed to prevent SUBCONTRACTOR from providing non-Medicare Covered Services on a usual and customary fee-for-service basis to Health Choice Arizona and HC Generations Members provided that SUBCONTRACTOR has requested that a Health Choice Arizona and HC Generations Member sign a waiver indicating the Health Choice Arizona and HC Generations Member's financial responsibility for charges for non-Medicaid/Medicare Covered Services and as long as the Health Choice Arizona and Health Choice Generations Member is informed by SUBCONTRACTOR that said services are non-Medicaid/Medicare Covered Services prior to being rendered and that Health Choice Arizona and Health Choice Generation Member signs such waiver prior to or at the time non-Medicaid/Medicare Covered Services are rendered.

Prompt Payment. HC Generations shall pay interest according to the Prompt Payment Act (42 CFR §422.520 (b)) on clean claims that are not paid within forty five (45) days of the claims receipt date by HC Generations. Interest shall be the "Prompt Payment Interest Rate" as of the date the claim is processed.

Nondiscrimination. SUBCONTRACTOR understands that CMS requires compliance with the provision of this Section as a condition for participation in Medicare plans. SUBCONTRACTOR and SUBCONTRACTOR Representatives shall comply with Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. Section 200d et. seq.), Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 794) and the regulation there under, Title IX of the Education Attachments of 1972, as amended (20 U.S.C. Section 1681 et. seq.), the Age Discrimination Act of 1975, as amended (42 U.S.C. Section 6101 et. Seq.), Section 654 of the Omnibus Budget Reconciliation Act of 1981, as amended (42 U.S.C. Section 9849), the Americans With Disabilities Act (P.L. 101-365) and all implementing regulations, guidelines and standards as are now or may be lawfully adopted under the above statutes. [42 CFR § 422.110(a)]

Compliance. SUBCONTRACTOR agrees to comply with PLAN's policies and procedures and all applicable Federal, CMS, State and local laws, rules and regulations, now or hereafter in effect, including but not limited to 42 CFR §422 regarding the performance of SUBCONTRACTOR'S obligations hereunder, including without limitation, laws or regulations governing the record timeliness, adequacy and accuracy and the AHCCCS Minimum Subcontract Provisions document is available on the AHCCCS Website at: <http://www.azahcccs.gov/commercial/default.aspx>, HCA members and HC Generations Beneficiary and the Member and Beneficiary's privacy and confidentiality along with the appeal and dispute resolution procedures related to Covered Services provided to a HCA Member and HC Generations Beneficiary, to the extent that they directly or indirectly affect SUBCONTRACTOR, SUBCONTRACTOR'S facilities or PLAN and bear upon the subject matter of this agreement. [42 CFR §422.504(a)(13); 422.118]

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To ensure prompt and appropriate reimbursement of authorized services claims are to be sent to the following address:

Health Choice Arizona
410 N. 44th St., Ste. 500
Phoenix, AZ 85008

HC Generations
410 N. 44th St., Ste. 510
Phoenix, AZ 85008

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Agreement to be effective _____.

HEALTH CHOICE ARIZONA

PROVIDER

Signature

Mike Uchrin

Printed/Typed Name

CEO

Title

Date

Name and Title

Signature

Date

Tax ID

Medicare ID

LETTER OF AGREEMENT DETERMINATION

Re: Letter of Agreement to provide an expanded network of insurance companies providing coverage for public health services within Cochise County; between Cochise Health & Social Services and Health Choice Arizona/Health Choice Generations (AHCCCS and Medicare health plans, respectively).

The attached agreement, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. §11-952 on behalf of the Cochise County Health Department by the undersigned Deputy County Attorney who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

Approved as to form this 13th day of February, 2013.

EDWARD G. RHEINHEIMER
Cochise County Attorney

By: Terry Bannon
Terry Bannon
Deputy County Attorney